Accounts Payable Manual

Last Updated February 16, 2010

Mr. Edward B. Jolley, Jr., Vice President for Fiscal Affairs
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A Unit of the University System of Georgia
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INTRODUCTION

Accounts Payable, a unit of the Office of the Comptroller, is primarily responsible for processing payment documents related to Purchase Orders, Check Requests, Vendor Invoices, Travel, and Cash Disbursements using the GeorgiaFirst Accounts Payable Module, while complying with university, state and federal policies, procedures and regulations. Functions of this area include the following:

1. Processing payment to vendors
2. Printing and distributing checks
3. Monitoring vendor statements and investigating billing or payment errors
4. Researching returned checks
5. Processes credit invoices
6. Maintaining permanent records of backup documentation for payments
7. Providing Accounts Payable procedures training
8. Providing assistance and direction to departments in settling disputes with vendors
9. Providing follow-up services on outstanding payments and resolves problems which may arise
10. Verifying that adequate backup documentation exists prior to authorizing the release of checks to vendors

GENERAL INFORMATION

Office Hours: Monday thru Friday, 8:00 a.m. to 5:00 p.m.
Phone: (912) 353-3034
Fax: (912) 353-3188

Physical Location: Hill Hall Building, Room 220
3219 College Street
Savannah, GA 31404

Mailing Address: P. O. Box 20419
MISSION STATEMENT
The mission of the Accounts Payable area is to provide for the timely and accurate expenditure of University funds and recording of those expenditures in a manner consistent with University guidelines and other regulations.

POLICIES AND GUIDELINES
Goods and services can be purchased in several ways, depending upon the type of purchase and the supporting documentation required. Accounts Payable can make payments against a Purchase Order and its associated invoice(s) or through a Check Request. The policies associated with each are provided in this, our Accounts Payable, manual.
PURCHASE ORDERS

Payment of invoices associated with a Purchase Order requires verification that goods and services requested by a department are the same as goods and services received. The first step in this process is a comparison by Central Receiving of the Purchase Order and goods delivered. The second step is a review by the department, to determine whether goods and services are satisfactory. If Accounts Payable does not receive directives from the department to hold payment, Accounts Payable will pay the vendor in a timely manner, provided all other requirements are met, and in accordance with the terms of the Purchase Order.

To ensure that payments are made in a timely manner, the following guidelines should be used.

- All Goods should be shipped to our Central Receiving location for receipt into our system.
- All Invoices should be remitted to our Accounts Payable office for payment processing. **Invoices inadvertently mailed to departments, should be immediately forwarded to Accounts Payable office.**
- Accounts Payable will not make payments on the basis of other documents, e.g., sales orders, packing slips, statement, individual Procurement Card statements, which are sometimes forwarded by vendors or departments. The policy is to pay on the basis of original invoices. In the event the original invoice is totally unavailable, Accounts Payable must attest to the fact that the invoice has been thoroughly researched and it is a true copy of an unpaid invoice.
- **GeorgiaFirst** defaults to a 3-way match: Purchase Order Costs and Quantities, Receiving, and Invoice. All these must match before Accounts Payable can pay. Invoices that fail the match process are sent to the Purchasing department.
- The Purchase Order and Invoice name must match. The Purchase Order must be issued to the company doing the billing and Accounts Payable must pay the vendor listed on the Purchase Order.
- Approved Invoices are assigned an eight (8)-character voucher ID.
- Accounts Payable makes payments following the terms of the Invoice of Net 30 days; e.g., net/immediate, net/10, net/30, etc. (Net immediate - the check will be in the next check run following processing of the Invoice; usually associated with purchased services and Check Requests Net 30 - the check will be sent 30 days from -- invoice date, date University receives invoice, and/or date goods/services received by the institution, whichever is greatest.
- If for some reason – defective or wrong items are received, or services not rendered, etc – and a department does not want an Invoice to be paid, they must notify the Accounts Payable via e-mail and request that the Invoice be placed on hold. When the problem has been resolved, the department should notify Accounts Payable (via e-mail) to release the Invoice for payment.
INVOICES

Processing Sequence
When Invoices are received in the Comptroller’s Office, they go through the following processing:

1. The mail is opened and date stamped by an the front desk.
2. The front desk forwards the Invoices to Accounts Payable.
3. Accounts Payable inputs data from the Invoice into GeorgiaFirst Accounts Payable Module, which automatically assigns a sequential 8-digit voucher ID number.
4. The invoice is stamped with the voucher ID number, attached to copy of Purchase Order or Check Request and all other pertinent documents (becomes a “voucher package), ready for the AP Supervisor.
5. The AP Supervisor picks up all voucher packages, reviews them, and processes check production.
6. A copy of the check is then attached to the voucher package, audited, and then transferred to the voucher area storage.

A Check Request is not Needed
If in error a vendor sends the invoice to the department, and the invoice is a result of a Purchase Order, please do not send a Check Request with the invoice.

This might result in a duplication of charges on the department’s budget. For more information, contact Accounts Payable or Business Compliance.

Importance of Documentation
Often backup documentation must be provided also. This should be in the form of the registration, membership or subscription information, receipts, explanatory memos or letters, etc. When this documentation consists of more than two items, it should be itemized on an attachment and two adding machine tapes should be stapled to the Check Request.
CANDIDATE REIMBURSEMENT

The Candidates’ Travel policy covers eligible travel expenses for a maximum of three (3) candidates, but may be exceeded upon approval by the appropriate Vice President or President. Every effort should be made to use the most cost-effective means of transportation for candidates traveling from outside of Savannah, GA. Candidates using personal automobiles will be reimbursed for mileage at the current rate in effect for Georgia State employees. Rental vehicle expenses will not be reimbursed by the Candidates’ Travel Account.

FUNDING SOURCE:

Funding for the Candidates’ Travel Account may come from non-lapsable funds only.

PROCEDURE:

1. Candidates will be reimbursed for the following modes of transportation, air, train, bus, personal vehicle. If the candidate drives a personal automobile to campus for an interview, automobile travel expenses will be reimbursed at the State’s current rate of per mile. Odometer readings should be recorded on the Candidates’ Travel Expense Form.

2. The department or search committee should ensure that the following information is provided on the Candidate’s Travel Expense Form to ensure the timely reimbursement of the candidate’s travel expenses:

   Candidate’s Name
   Candidate’s Address
   Candidate’s Social Security Number

3. Accommodations for lodging should be made by the department or search committee. Normally, accommodations will be funded by the Candidates’ Travel Account for one night, but may be extended upon approval by appropriate Vice President or President. Lodging expenses will be approved for the candidate only. Lodging will be reimbursed at actual costs. The candidate will ONLY be reimbursed for room cost. Telephone calls and internet are not reimbursable.
4. State regulations require that receipts for any out-of-pocket travel expenses incurred by a candidate must be itemized on the Candidates’ Travel Expense Form (see attached). The department or search committee should have candidate complete the expense form before departing from the University’s campus. The department or search committee should prepare a check request stating that the request is to reimburse the candidate for expenses incurred during the interview period. The interview date(s) should be provided and a copy of the schedule of the interview process should be attached as supporting documentation. The check request with the appropriate documents attached should be submitted to the Comptroller’s Office for payment processing.

5. Meal expenses will be charged to the Candidates’ Travel Account for eligible candidates not to exceed State’s per diem rate for Savannah, GA. Candidates must submit receipts for meals to be eligible for reimbursement.

6. Meal expenses for the candidate and up to two members of the search committee may be charged to Candidates’ Travel Account. The maximum amount covered is not to exceed the State’s per diem rate for Savannah, GA. Search committee members must submit receipt for meals to be eligible for reimbursement.

7. Other costs which may occur as a result of an interview may be considered for reimbursement if supported by receipts and they appear to be reasonable.

The form is available on our online at “Forms On Line”
Policy & Procedures (Effective 6/1/2008)

Introduction

Savannah State University encourages the use of personal credit for employee travel and is committed to timely employee reimbursement of expenses incurred on official university travel provided that the submission of the employee travel expense statement is timely, accurate, and complete. However, recognizing the burden this may put on some employees cash travel advances will be provided for official employee travel with proper approval by the immediate supervisor and budget unit head. The purpose of travel advances is to minimize the financial burden on employees while traveling on behalf of the state. This objective can be accomplished either by the issuance of corporate charge cards or by cash advances to the employees (BOR Procedure 4.9.2). Due to the inherent limitations on control of corporate charge cards, which are subject to state spending provisions, Savannah State University encourages the use of personal credit when it does not put a financial burden on the employee. When a travel reimbursement request is appropriately submitted, the Department of Fiscal Affairs will issue a check within 15 business days.

Policy

Travel regulations, as developed and approved by the Board of Regents (BOR), are published and distributed periodically to various operating units as apart of its Business Procedures Manual, Volume 3A, and constitute the office Policy of the Board governing travel by University System employees (BR Minutes, 1980-81, pp. 55-59).

The Business Procedures Manual of the BOR, as a general provision, authorizes the payment of travel advances to employees of all state agencies, commissions, and authorities according to OCGA 45-7-25 and 47-7-26.
The designated personnel within the Division of Fiscal Affairs are authorized to advance state funds to employees traveling on behalf of the state. Funds may be advanced for anticipated subsistence (meals and lodging), and other transportation cost that are reimbursable under these travel regulations (see BOR Business Procedures manual for detail). The amount of the Travel Cash Advance will be based on the approved Authorization to Travel form. Travel advances should be limited to per diem for meals and any anticipated authorized reimbursement of miscellaneous business expenses. When possible, checks should be issued directly to the hotel/motel for accommodations. Travel advances are not required by state law or by these regulations, but are left to the discretion of each institution (BOR Procedure 4.9.4). Therefore, the Division of Fiscal Affairs will adjust any travel advance request that does not follow this policy as outlined.

Procedure
Advances are not provided for expenses (such as registration fees) that can be charged on a University direct billing (paid by University check), credit plan, P-Card, or corporate card. Departments are encouraged to book air travel with the Purchasing Office via the P-Card. Advances are not to be provided more than 3 working days prior to the beginning of the trip without written justification or in certain situations, and are subject to the guidelines outlined below.

Prerequisite to Travel Cash Advance: Travel Authority Request Form
Employee completes this form and submits to his/her supervisor for approval with necessary attached documentation (i.e. travel itinerary, anticipated lodging, etc...). The supervisor approves or disapproves the form. If the supervisor approves the form, the form is then forwarded to Budget Unit Head for approval, if supervisor is not the Budget Unit Head. Otherwise, the form is forwarded to either the Business Office or to Title III dependent upon the funding source identified. Once the Authorization to travel form has all externally required signatures, the form is received in the Business Office (the Division of Fiscal Affairs) for processing. For authorization to travel forms requiring flight reservation, a copy of the form is forwarded to the Purchasing/Procurement Office. The original copy of the Authorization to Travel with all the required signatures and approvals is returned to the employee.
Note: If foreign travel is involved, additional approval is required by the Office of the President.

Receiving a Travel Advance

Travel advances must be requested using the Travel Cash Advance Authorization Form. The form is available on the Fiscal Affairs website at http://www.savannahstate.edu/fiscal-affairs/comptroller-forms.shtml. The form must be completed and signed by the employee traveling and submitted to the immediate supervisor and the department budget unit head for approval.

Travel advances cannot be made for items that are prepaid or billed directly to the University. Travel advance request must be submitted in sufficient time to allow the Office of Fiscal Affairs 7-10 business days to process the request.

The Internal Revenue Service (IRS) requires that the expense must be incurred within 30 days of the issuance of the advance. The University has elected to issue travel cash advances to employees no more than 3 working days in advance of the travel departure date and is expected to be used only for the approved trip and related expenses within the 30 days time frame stipulated by the IRS. For continuous travel (consecutive trips), the travel cash advance may be issued for each trip prior to departure to the first trip of the continuous travel.

When the employee picks up his/her travel cash advance, the employee must, in the presence of Fiscal Affairs staff, sign the Travel Cash Advance Authorization form verifying the receipt of the travel cash advance (BOR Procedure 4.9.5). The employee must also sign or have a signed Travel Cash Advance Policy & Procedure agreement on file with the Department of Fiscal Affairs. This agreement stipulates that the employee receiving the advance has received, reviewed, and understands all Travel policy and procedure, travel cash advance policy and procedure, and agrees to abide by all written rules, regulations, and policies of the Board of Regents (BOR), the University System of Georgia (USG),
the State of Georgia, and the Internal Revenue Service (IRS) regarding travel cash advances.

All employees are fully responsible for funds advanced to them and shall account for the funds in accordance with the statewide travel regulations. Employees are liable for any advanced funds that are lost or stolen (BOR Procedure 4.9.7).

Repaying a Travel Advance

Travel advances must be repaid no more than 30 calendar days after the completion of the travel, except in certain situations (i.e. when multiple advances have been received for continuous travel or consecutive travel – in which case, the 30 day time period starts upon the completion of the ending travel date of the last trip).

In the event of cancellation or indefinite postponement of authorized travel, any cash advances made shall be refunded immediately.

Failure to Repay

Employees that do not adhere to the 30 calendar day repayment requirement will receive notification from the Comptroller’s Office stating such and collection action will commence. (The approving official will be copied on the email notification.)

For Advances not cleared or the expenses unsubstantiated within 30 days of the return date of the trip, the Comptroller, with information received from the Accounts Payable Supervisor, will approve and authorize on behalf of the University the deduction of the amount of the advance not cleared or substantiated from the employee’s pay check. Further, once payroll deduction has been initiated, no payments will be accepted in the Bursar’s Office to prevent the possibility of double payment. If payroll deduction is required for a traveler, no future travel advances will be granted. The employee will have to use personal credit or funds to pay for the travel and get reimbursed from the University after the travel documentation is substantiated.
A report of those individuals requiring payroll deduction for repayment will be provided promptly to the respective Vice President for their information, and to University Legal Counsel for legal prosecution. Again, violation of the Travel Cash Advance Policy is subject to progressive discipline action for willful violation of written rules, regulations or policies.

House Bill 1113, effective 5/14/2008, clearly states, “It shall be unlawful for any person to use any travel advance received from public funds, for nongovernmental purposes or to submit or approve, knowingly or through willful and wanton neglect, a fraudulent request to the state for reimbursement of expenses.” It is, thus, assumed that failure on the part of the employee to clear or substantiate a travel cash advance within the allotted 30 day clearance period denotes that all or a portion of the funds advanced were used for inappropriate, nongovernmental purposes.

The penalties for misuse and/or failed clearance of a travel cash advance are as follows:

- Misdemeanor of a high and aggravated nature for amounts less than $500 punishable by no more than 12 months imprisonment and a fine not to exceed $5000.
- Felony prosecution for aggregate amounts of $500 or greater punishable by no more than 20 years imprisonment and a fine not to exceed $50,000 or triple the amount of such unlawful expenditures, whichever is greater.
- Subject to immediate termination of state employment and shall owe restitution equal to the amount of such misappropriated travel advances or fraudulent reimbursements, plus interest to be assessed at a rate of 12 percent per annum to be calculated from the date each misappropriated travel advance or fraudulent reimbursement payment was made.

Reimbursement of Over Expenditure
When the actual travel expenditures reported on the travel expense statement exceed the amount of the cash advance, the employee shall be reimbursed for the additional travel costs incurred.

**Department Budget Unit Heads**

It is the responsibility of the department heads or authorized delegates to review and approve the reimbursement of over expenditures to ensure that the requested amount is reasonable and expended properly.

**Note:** Negligence on the part of approvers will subject the approver and reviewers to the same penalties previously mentioned in this document.
PAYMENT – CHECK REQUESTS

Check Requests describe all payments not associated with a Purchase Order. Items purchased using a Check Request are not part of the encumbrance process. Complete the Check Request, obtain approving signatures as required by the unit, attach document as noted, and submit to the Comptroller’s Office. Because the Check Request authorizes an outflow of University funds, it is important that the reason for the payment be fully documented. The "Description" field on the Check Request should be completed as fully and meaningfully as possible.

The most frequently occurring payments by Check Request are:

- Guest Speaker/Lecturer/Artist Honorarium (see below bullet and see section on “Guest Speaker/Lecturer/Guest Artist Expenses”)
- Replenishing Petty Cash
- Non-travel Cash Advances
- Team or Student Group Travel Advances & Expenses
- Reimbursements to Employees for emergency purchases
- Payment of Stipends

Other Types of Transactions and How to Handle Them (see also section titled “Other Types of Transactions and How to Handle Them):

- Guest Speaker/Lecturer Honorarium/Guest Artist Expenses (Where an amount has been agreed upon by the individual providing service and the individual seeking service) USE E-PROCUREMENT TO CREATE REQUISITION (E-PRO)
  - A contract should be initiated when obligating the University in any regard related to speakers, lecturers, artists, etc… In some cases, the University might not agree to pay a specific amount, but agrees to pay for hotel and travel expenses. In all cases, a contract should be initiated to indicate what the University is expected to perform when an agreement is made. Once the contract has been approved, an E-Pro requisition should be created, and approved by the necessary parties, with the approved contract attached.
NOTE: The individual(s)/group(s) will need to submit an invoice for payment processing; when contracting/or making agreements with speakers, keep this in mind.

If the contract stipulates payment is due upon completion of service, then the invoice (which should indicate the Purchase Order number provided by Purchasing) along with a copy of the contract attached, should be submitted to Accounts Payable, in enough time to allow for the check to be cut.

As a standard, allow 7 to 10 business days, for the processing of a check payment. As well, allow 3-5 business days for the processing of an e-Procurement requisition after it has been approved at the department level.

- **Licenses, Membership Dues, Non-Licensed Software and Pamphlets** – USE E-PRO
- **Subscriptions and Periodicals** – USE PURCHASING CARD (PCARD) OR, IF PURCHASING CARD IS UNAVAILABLE, USE E-PRO
- **Renewal of Maintenance Agreements** – USE E-PRO
- **Registration Fees for Conferences and Workshops** – USE PCARD OR USE E-PRO
- **Employee Travel Cash Advances** (USE TRAVEL CASH ADVANCE REQUEST FORM AND SUBMIT TO ACCOUNTS PAYABLE WITH REQUIRED SUPPORTING DOCUMENTATION)
- **Reimbursement of Travel Expenses** (USE TRAVEL EXPENSE REIMBURSEMENT FORM AND SUBMIT TO ACCOUNTS PAYABLE WITH REQUIRED SUPPORTING DOCUMENTATION)

Note: Student travel must be separate from Employee travel (staff & students cannot share hotel rooms, etc…). The recording methods for student related expenses are different from how employee travel related expenses **must** be handled.

**Appearance on General Ledger Reports**
Check Request payments are reported on the General Ledger detail reports as an expense. No encumbrance is created for items paid by a Check Request, so a department will not see an entry on its reports until an expense is recorded.

**Prepayments**

In the majority of cases, the vendor’s invoice is the document that tells Accounts Payable that a check is needed. However, there are many cases in which there is no invoice. The policies discourages prepayment, but in instances where the vendor requires prepayment, prepare a Check Request, obtain appropriate approvals, and attach the pro-forma invoice or other supporting documents to the Check Request and forward to the Comptroller’s Office.

**GUEST SPEAKER/LECTURER HONORARIUM/GUEST ARTIST EXPENSES**

Honoraria are processed as Check Requests. The following guidelines apply to honoraria payments:

- **Definition:** An honorarium is a payment for services for which custom or propriety forbids a price to be set. This method of payment is usually made to a guest speaker or lecturer as a "thank you" and gesture of good will and appreciation. An honorarium is not based on an agreed amount between the individual providing services and the individual seeking services. If payment is agreed upon, this constitutes a contractual agreement.

- Honoraria are payments for one-time teaching or speaking engagements to individuals who are not employed by the University; and, honoraria payments have no time/date stipulations, thus normal payment terms apply = Net 30 days (30 days from -- invoice date, date University receives invoice, and/or date goods/services received by the institution, whichever is greatest.)

- Honoraria represent taxable income to the recipient. If accumulated honoraria payments are $600.00 or more during a calendar year, a 1099 is sent to the recipient and the IRS. All payments require a social security number

- Honoraria should not be recurring to the same individual.
Honoraria should not be confused with payments to employees or payments to independent contractors (Note: Again, where an amount has been agreed upon by the individual providing service and the individual seeking service, the payment is NOT an honorarium, and a contract is required.) The IRS has established "The 20 Factors" guidelines that should be considered when determining how an employee should be classified (this document is available on our Accounts Payable web page -- http://www.savannahstate.edu/fiscal-affairs/acct-payable.shtml. Questions should be directed to the Office of the Comptroller.

**REPLENISHING PETTY CASH**

Each department should set a dollar level at which its petty cash fund is to be replenished. Generally the level should be replenished when three-fourths of the fund is spent. However, to see expenses in the same month in which they occur, the fund should be replenished monthly.

When the appropriate dollar level is reached, a Check Request is filled out with the appropriate ChartField combination for each expenditure that has been made from the petty cash fund. The original purchase receipts for each expenditure and two adding machine tapes showing the totaled amounts are attached to the Check Request. The Check Request is submitted to Accounts Payable. Accounts Payable generates a check, which is then cashed to replenish the fund.

**Payee**
The Check Request to reimburse petty cash must show as payee the "SSU Petty Cash Fund" in care of the custodian and not the individual custodian. In the event a custodian changes, the Comptroller’s Office must be informed in writing by the department.

For Questions Concerning Petty Cash, please contact the General Accounting unit of the Comptroller’s Office.
REGISTRATION FEES FOR CONFERENCES AND WORKSHOPS (CHECK REQUIRED)

In the event that an employee, for some reason, needs to take a check for registration cost with them when traveling to pay for registration costs on-site, a check requests may be submitted with the registration form attached. Note: Accounts Payable requires 7 to 10 business days for processing.

The employee will be notified when it is ready for pick-up.

TEAM OR STUDENT GROUP TRAVEL ADVANCES

Accounts Payable will process Travel Advances for Athletic Teams or Student Groups. Employees traveling with students must complete the Advance Clearing Form, which can be obtained from the Comptroller’s office. This form and appropriate documentation should be submitted with a Check Request. To ensure that the check is ready when the team or group is to travel, it is imperative that this process be completed in a timely manner. Timely completion of the paper work and necessary documentation for the travel advance is the responsibility of the employee traveling with the team or the students.

Advances must be cleared within three (3) business days subsequent to returning to campus or the conclusion of the event. Advances are cleared through the receipt of expenditures or the return of any unused funds to the University. Savannah State University has the right to collect any outstanding balances resulting from an advance that has not been cleared.

Employees traveling with an Athletic Team of Student Group must submit a travel authorization form for his/her personal travel expenses. Upon return the employee should complete and submit the University’s travel expenditure report for reimbursement of his/her expenses incurred while traveling with the team or group.

REIMBURSEMENTS TO EMPLOYEES
**Definition of Reimbursements**
A reimbursement is the paying back of money that has been spent on behalf of the University.

**What can be Reimbursed?**
Every effort should be made to use the University’s regular purchasing procedures (Purchase Order, Procurement Card, and University Stores Requisition). However, on occasion, employees need to expend their own funds and request reimbursement. Typically reimbursements are needed for meals, reception costs and low-cost emergency supplies. Requests for reimbursements for items that can be purchased through normal purchasing procedures (e.g., large quantities of supplies, equipment items, books) should be rare. **Please note that the University reserves the right to deny in whole, or in part, any submitted employee reimbursement to ensure compliance with State of Georgia contracts, and/or other governing policies and procedures.**

**Forms for Reimbursement Requests**
Reimbursement requests should be made on a Check Request.

**Procedures for Reimbursements**
A Check Request should be forwarded to the Comptroller’s Office. The following information must be provided in order for the individual to receive reimbursement:

1. Name, address and social security number of the individual to be reimbursed
2. Description and justification of item or function, including when applicable, date, number and names of attendees, where the function was held and cost per person (per-person cost will be audited to ensure that it is reasonable and prudent)
3. All original receipt substantiates the reimbursement
4. Name of the department contact, and signatures of the department head and/or college dean or other designated official.
5. Complete ChartField combination to which the expenses will be charged
Receipts

Original itemized receipts must be attached to the Check Request. Two adding machine tapes itemizing the receipts must also be attached. If only copies of receipts are available, the department must certify on the copies that they are true receipts. In the event an original receipt is lost, but the department believes that this is a valid reimbursement then a letter should be attached to the form stating what the expenses are and that they are fair and reasonable. The Dean of the College, department head or other designated official must sign the letter.

Reimbursements for Services are not Permitted

University employees may not take other individuals or companies into their employment to provide services and then request reimbursement.

Approvals for Reimbursements

No employee may approve his or her own reimbursement request. The approving authority must hold a higher University rank than the person being reimbursed.

Social Security Number

The individual’s Social Security number must be supplied on the Check Request.

Examples of items that will not be Reimbursed are, but not limited to:

1. Expenditures for gasoline while on travel status will not be reimbursed if mileage is being claimed. The Transportation Department has specific policies and procedures for the purchase of gasoline
2. Alcoholic beverages, cigarettes and other tobacco products may not be paid for from any Savannah State University Fund
3. Personal items and items which do not relate to University business may not be paid from any Savannah State University Fund

Reimbursements to More than One Individual

For each individual receiving reimbursement, a separate Check Request is required.
Licenses
To pay for a license forward submit an E-Procurement Requisition, with a quote for such attached. The Purchasing Office will determine the method of payment most appropriate.

Membership Dues
Submit an E-Procurement Requisition, with appropriate back-up material attached. The Purchasing Office will determine the method of payment most appropriate.

Be sure to make clear in the "Comments," "Justification," or "Description" areas of the E-Pro Requisition who the membership is for and that person's department address where membership materials should be sent.

If a Purchasing Card is available for use, it may be used to pay membership dues as well.

Membership Renewals
When renewing a membership, please provide full departmental address information on both the E-Procurement Requisition and accompanying documentation.

If a Purchasing Card is available for use, it may be used to pay membership renewal dues as well.

Pamphlets
The State of Georgia has a number of state contracts that must be used for printing purposes. As a result, for pamphlets and other preprinted materials,
submit an E-Procurement requisition. Be sure to include the following on the E-Pro Requisition:

- Complete Mailing Address
- Complete detailed information on where and to whom the pamphlets are to be sent is absolutely necessary. Attach any backup material needed to insure that the vendor sends the pamphlets to the correct address.

**SUBSCRIPTIONS AND PERIODICALS**

**Subscriptions**
For subscriptions, use a University issued PCARD or submit a e-Procurement requisition. Once the E-Pro requisition has been approved, Purchasing will determine the most appropriate method of payment. Be sure to include the following:

- Complete Mailing Address
- Complete detailed information on where and to whom the subscription is to be sent is absolutely essential. Attach any backup material needed to insure that the vendor sends the subscription to the correct address. (This should be repeated each time you renew the subscription.)

**Periodicals**
For subscriptions, use a University issued PCARD or submit a e-Procurement requisition. Once the E-Pro requisition has been approved, Purchasing will determine the most appropriate method of payment. Be sure to include the following:

- Complete mailing Address
- Complete detailed information on where and to whom the periodicals should be sent is absolutely necessary. Attach any backup material needed to insure that the vendor sends the periodicals to the correct address.
Submit an E-Procurement Requisition, with appropriate back-up material attached. The Purchasing Office will determine the method of payment most appropriate.

**REGISTRATION FEES FOR CONFERENCES AND WORKSHOPS**

Submit an E-Procurement Requisition, with appropriate back-up material attached. The Purchasing Office will determine the method of payment most appropriate.

If a purchasing card is available for use, it may be used for this purpose.

**PREPAID TRAVEL ARRANGEMENTS**

Accounts Payable can cut checks for payment to Hotels on behalf of the following:
- University employees and students
- Individuals being recruited or interviewed by the University
- Service providers who are paid an honorarium

**PREPAID AIRLINE TICKETS**

The University will prepay airfare once a completed Travel Authorization form is submitted and, provided that the ticket is purchased through the University’s designated travel agency. When “Air” is indicated as the mode of travel on the Travel Authorization form, the Purchasing Office will book flights once the Travel Authorization for is received. Contact the Purchasing Office for more information. (Note: Purchasing Office closes at 5:00 p.m.)

**REIMBURSEMENTS OF TRAVEL COSTS**

Once the travel is complete, the traveler should complete the appropriate portion of the Travel Expense statement showing all amounts to be reimbursed to the
traveler. This Travel Expense statement is then forwarded to the Comptroller’s Office. All necessary original receipts must be attached.

**Reimbursement for Registrations Not Involving Travel**
Registrations not involving travel should be prepaid as described above. However, on occasion, individuals unaware of these requirements prepay the registration themselves and then need to be reimbursed. In addition, a last-minute registration might require that the individual use his or her own funds and request reimbursement later.

**Reimbursement for Vehicle Mileage**
Occasionally the traveler may use his or her own personal vehicle when traveling on behalf of the University. In that case, the established mileage reimbursement rate is $.50 per mile. To be reimbursed for mileage, a Travel Expense statement must be completed and sent to Accounts Payable.
CHECKS

Check Processing
Accounts Payable writes checks twice per week, on Mondays and Thursdays. (Occasionally this changes because of the University's holiday calendar.) The checks are computer-generated because of the heavy volume: between 200 and 550 checks are written every week, varying with the time of year. **Checks will be available for pick up within two (2) business days.**

When Will the Check Be Written?
Some checks are written in the next check run following the completion of processing. This timing is often described using the business expression "net/immediate." "Net" means that the full amount of the invoice is due. "Immediate," in practical terms, means, "in the next check run after processing is complete." (Seven to ten working days are needed for processing.) Most checks written for Check Requests are "net/immediate."

Checks are paid in accordance with the terms of the invoice. The most frequent terms are "net/30" meaning that the check will be written by Accounts Payable for the net amount 30 days from invoice date, date University receives invoice, and/or date goods/services received by the institution, whichever is greatest. However other terms are possible if they are specified in the invoice.

**Note:** Other terms are available which permit the university to take discounts based on the payment date. For example “2/15, net/30” means that the University receives a 2% discount if payment is made in 15 days, but has 30 days to pay the full amount. For more details on discount terms, please contact the Purchasing Department. Usually the terms appear on the invoice.

Processing Time
Remember that checks are not necessarily written immediately. They are written in accordance with the terms of the Purchase Order and Invoice. If the terms on the Invoice are different from the terms on the Purchase Order, Accounts Payable usually uses the terms on the Purchase Order unless a discount is involved.
Checks for Specific Dates or Events
Accounts Payable can prepare a check for a department in preparation for a particular event such as presentation at an award ceremony. Submit your Check Request early (at least 10 working days lead time is needed; more if a Purchase Order must be issued) and specify the date by which the check is needed.

Mailing a Check
When a check is written, it is mailed to the recipient’s address as provided on the Check Request or invoice, provided that this address matches the address on record in the Procurement System. Whether an on or off-campus address is provided, you must use the recipient’s complete mailing address.

When paying a vendor, Accounts Payable can send the check only to the vendor’s address as shown on the Invoice. If the department wishes to send the check to a different address, a department representative must pick up the check. It then becomes the responsibility of the department to ensure that the appropriate vendor receives the check.

It is the practice of Accounts Payable to review all checks. For those addresses that are Savannah State University addresses, the payee will receive a call that the check is ready for pick-up.

Holding a Vendor Check for Pick-Up
Holding a check for pick-up is considered special handling and must be requested on the Check Request or Invoice. Please note that the additional sorting and coding needed for check pick-up adds to processing time. Consequently, Accounts Payable prefers not to hold checks for pick-up.

Only a department representative—not a vendor—may pick up the check. The department representative must provide an ID before Accounts Payable will release the check to them.
Checks that are to be picked up are held for a maximum of three working days. After that time, the check is mailed to the recipient. Usually a reminder call is made to the department before mailing the check.

**STOP PAYMENTS**

The usual reasons for requesting a Stop Payment on an Accounts Payable check are as follows:

- The vendor or payee did not receive the check
- The check has been lost or stolen
- The check was written to the wrong vendor or payee

**Importance of Correct Address**

Stop Payments are requested most frequently for checks that have been sent to an incorrect or outdated address. When a check is mailed to an incorrect address, Accounts Payable initiates a 10-day waiting period before a Stop Payment is placed on the check. This is to allow time for the U. S. Post Office to return the check to the University as "undeliverable as addressed." Accounts Payable can then re-mail the check to the correct address. Please take the necessary steps to verify addresses before requesting an Accounts Payable check.

**Contacting Accounts Payable**

If a stop payment is needed, contact Accounts Payable. The employee responsible for stop payments will take the necessary information and place the stop payment on the check.

**Accounts Payable Contacts the Bank**

Accounts Payable informs the bank online that the check must not be honored. The bank sends confirmation on the next business day that the stop payment has been placed on the check.

**Timing**

Accounts Payable places the stop payment with the bank immediately. Departments can expect a new check to be issued within two (2) business days after the stop payment has been placed.
Payee’s Responsibility
If the bank confirms that the check has been cashed, a bank “Affidavit of Unauthorized Signature” form and a “Forgery Questionnaire” must be completed by the payee. The payee must have the “Affidavit of Unauthorized Signature” form notarized and return it with the “Forgery Questionnaire” to Accounts Payable for processing.
DEFINITION OF CREDITS

In the context of Accounts Payable, credit transactions are reversals of expenses. They represent money coming back into your Fund because of a previous overpayment to the vendor, agreement by the vendor that goods were not received or were unsatisfactory, or for another similar reason. Credits are usually generated via vendor credit memo.

Please be aware of the following:

- Credits to expense (reductions of expense) do not trigger an increase in the amount of the corresponding Purchase Order
- Consequently credits do not increase the encumbrance amount recorded in the General Ledger

CREDIT MEMOS

Many vendors issue a credit memo instead of writing a refund check when they owe money back to the University. The credit memo is the vendor’s written statement that money is owed back to the department and that the University has the right to pay a certain amount less when Accounts Payable issues the next check to that vendor.

Usually the vendor sends the credit memo to Accounts Payable. If the vendor sends it to the department, it should be forwarded to Accounts Payable as soon as possible. Please make sure the correct Purchase Order number is clearly indicated on the credit memo.

Credits from credit memos are taken immediately. Accounts Payable stamps the credit memo with the "department copy" stamp and forwards it to the department. Credits are not placed on hold for approval, regardless of the dollar amount of the credit.
Credits Processed in Error
If a department finds that a credit has been processed in error, please inform Accounts Payable. If the check from which the credit is to be taken has not yet been issued, the credit entry can be reversed from the system. If the check has been issued and the credit has been taken, the department should submit a Check Request to Accounts Payable for a payment in amount of the credit so that Accounts Payable can repay the vendor.

Effect of Credits on Purchase Order Balances
A credit memo received by Accounts Payable is processed as a Check Request. Consequently it does not affect the balance of the Purchase Order. The credit is, however, posted to the General Ledger, and is recorded as a credit to expense. This adds back the amount to the department’s available funds.

If it is necessary to increase the Purchase Order (for replacement of returned items, for example) a change order is needed to add funds back to the Purchase Order.
DEALING WITH PROBLEMS

Problem Resolution
It is known that the purchasing and payments cycle is complex. Errors and misunderstandings can occur, resulting in problem invoices and other documents, which Accounts Payable is unable to process for payment or in errors on various reports. Depending on the circumstances, problems must be resolved by one of the four parties in the procurement and payment process:

1. Accounts Payable
2. The department
3. Purchasing
4. The vendor

Problems to be Resolved by Accounts Payable
If a department has a problem associated with Accounts Payable, please contact the office by telephone. If a voice mail message is left, Accounts Payable will return the call by the close of business on the next business day. A department can also e-mail its problem to Accounts Payable at ap@savstate.edu.

Problems to be Resolved by the Department
The problems to be solved by the department fall into several main categories:

1. Missing electronic approvals for invoices
2. Occasional discrepancies between Purchase Orders and Invoices
3. Incomplete paperwork

Priority Handling for Corrected Documents
If Accounts Payable returns a document to a department to correct or complete, they will also attach a "Priority Handling" cover sheet. The department should attach this as the first page of the documents that are returned to Accounts Payable. Accounts Payable will then handle this document on a priority basis.

Incomplete Paperwork
Accounts Payable may find that the paperwork a department forwarded cannot be processed. A copy of the paperwork will be returned to the department with a cover letter indicating the problem. Two cover letters are used. One deals mainly with payments requested on vendor Invoices and the Check Request form. The other letter deals with credit memos and requests missing information in order for the credit to be processed. The following list shows the most common problems:

1. The document forwarded is not an invoice.
   
   **Remember:** Accounts Payable can write checks based on two documents only:
   - Vendor's Invoice
   - Check Request

Examples of unacceptable documents frequently received in Accounts Payable are:

- statements
- packing slips
- renewal notices

2. An invoice references multiple Purchase Orders.
   
   **Remember:** Accounts Payable cannot split Invoices between Purchase Orders.

3. An invoice received in the department is forwarded to Accounts Payable without a Purchase Order number or with the wrong Purchase Order number.
   
   **Remember:** Unless the item can be paid on a Check Request, Accounts Payable must have a Purchase Order number to pay an Invoice.

4. A Check Request is filled out without key items of information.
   
   **Remember:** Fill out the Check Request completely before forwarding it.
5. A Credit Memo does not reference sufficient information to be correctly applied.

   **Remember:** A Purchase Order Number, the original Invoice Number, and original payment information is needed in order to process the Credit Memo for credit.

6. The invoice referenced on a credit memo has not been paid.

   **Remember:** A credit should not be processed and deducted from a vendor’s check unless the original Invoice has been processed for payment. Accounts Payable needs the original Invoice payment information before the credit will be processed into the system.

### Problems that Must be Resolved by Purchasing

The most frequent problems that must be resolved by Purchasing are as follows:

1. The Purchase Order exists in the Financials System but has not been dispatched by the delegated buyer.
2. The accounting information on the Invoice or Purchase Order needs investigation.
3. The name of the vendor on the Invoice does not match the name of the vendor on the Purchase Order.
4. The line items and/or Unit pricing on the vendor's Invoice do not agree with the Purchase Order and the Invoice has failed the matching process

### Problems that Must be Resolved by the Vendor

Here is a list of the most frequent problems:

1. The Purchase Order Number is missing or incomplete.
2. The Invoice is divided among Purchase Orders (the Financials System cannot pay in this way).
3. The Invoice is incomplete.
4. The Invoice is illegible.
5. The Invoice is for another organization.
6. A statement, packing slip or other document has been sent instead of an Invoice.

Accounts Payable makes every attempt to obtain the necessary information by contacting either the departments or Purchasing. If they are unsuccessful in resolving the Invoice with the department or Purchasing, they return the Invoice or the document to the vendor with a form letter requesting the information.